AMENDED IN ASSEMBLY MAY 26, 2006 AMENDED IN ASSEMBLY MAY 2, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

ASSEMBLY BILL

No. 3035

Introduced by Assembly Member Laird (Principal coauthor: Assembly Member Salinas) (Principal coauthor: Senator Denham)

February 24, 2006

An act to amend Sections 67655, 67675.3, and 67679 of the Government Code, relating to military base reuse. An act to add Sections 1452, 1453, 1454, 1455, 1456, and 1457 to, and to repeal and add Sections 1450 and 1451 of, the Military and Veterans Code, relating to veterans' cemeteries.

LEGISLATIVE COUNSEL'S DIGEST

AB 3035, as amended, Laird. Fort Ord Reuse Authority Act: reuse plan. California Central Coast State Veterans' Cemetery.

(1) Existing law provides for the establishment and operation of veterans' cemeteries. Existing law requires the Department of Veterans Affairs, in voluntary cooperation with the Monterey County Board of Supervisors, to develop a master plan for a state-owned and state-operated California Central Coast Veterans' Cemetery to be located on the grounds of the former Fort Ord in Monterey County.

This bill would repeal that provision and instead provide for the establishment of the California Central Coast State Veterans' Cemetery at Fort Ord Endowment Fund, as provided, and would require that all moneys deposited therein be allocated, upon appropriation by the Legislature, to the Department of Veterans

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Affairs for the annual administrative and oversight costs of a California Central Coast State Veterans' Cemetery at Fort Ord and to generate funding through interest for that cemetery. This bill would also require the Controller, on or before July 1, 2007, after consultation with the department, to report to the Assembly and Senate Committees on Veterans Affairs, and other specified entities, on the status of the fund, as provided.

This bill would allow the California Central Coast State Veterans' Cemetery at Fort Ord Endowment Fund to receive donations of personal property, including cash or other gifts, to be used for the maintenance or beautification of the veterans cemetery, upon appropriation by the Legislature, as provided.

This bill would additionally require the department, once a determination has been made by specified parties that the fund can cover the annual administrative and oversight costs, as defined, of the veterans cemetery, to develop and submit a federal State Veterans' Cemetery Grant Program application to the United States Department of Veterans Affairs for an amount representing 100% of the estimated cost for designing, developing, constructing, and equipping the veterans cemetery.

(2) Existing law establishes the Central Coast Veterans' Cemetery Master Development Fund.

This bill would rename the fund the California Central Coast State Veterans' Cemetery at Ford Ord Operations Fund, and would require that all moneys in the fund be allocated, upon appropriation by the Legislature, to the Department of Veterans Affairs for the annual administrative and oversight costs of the veterans cemetery.

(3) Existing law provides for the burial of veterans and veterans' widows and widowers, and the veterans' children, and establishes fees for the interment of specified individuals.

This bill would require the Department of Veterans Affairs to adopt regulations to specify the eligibility requirements for interment in the California Central Coast State Veterans' Cemetery at Fort Ord, including providing for the imposition of specified fees.

(4) Existing law provides for proposals for the construction, placement, or donation of monuments and memorials to specified veterans' cemeteries, subject to review by advisory committees and approval of the Director of the Department of Veterans Affairs.

This bill would allow the California Central Coast State Veterans' Cemetery at Fort Ord, once established, to receive proposals for the

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construction, placement, or donation of monuments and memorials to the cemetery, subject to review by an advisory committee and approval of the Director of the Department of Veterans Affairs, as provided. This bill would require the Department of Veterans Affairs to establish regulations regarding these proposals.

The Fort Ord Reuse Authority Act requires the governing board of the Fort Ord Reuse Authority to develop a reuse plan for the transition of Fort Ord from military to civilian use.

The act requires each county or city with territory occupied by Fort Ord to submit to the board its general plan or amended general plan, according to specified criteria. Existing law authorizes the board to finance basewide capital facilities through state and federal grants, loans, or other assistance, by levying assessments, reassessments, or special taxes under various acts, by the issuance of bonds pursuant to specified laws, and by creating financing districts. Existing law also establishes the California Infrastructure and Economic Development Bank.

This bill would additionally authorize the board to receive funds from the California Infrastructure and Economic Development Bank.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the 2 following:
 - (a) In 1917, the United States Military established Fort Ord as a cavalry post when it purchased 15,000 acres of land in the northwestern portion of Monterey County.
 - (b) Fort Ord was declared a permanent Army post in 1940, and became a valued military training facility as its geography and proximity to the coast proved useful in helping to prepare the United States military for its involvement in World War II.
- 10 Throughout its history, Fort Ord post was home to a succession
- 11 of infantry divisions and served as a center for basic and
- 12 advanced training.

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- 13 (c) Since its inception, Fort Ord became an integral part of the
- 14 Monterey Bay area's local and regional economy and
- 15 contributed greatly to its cultural identity. In 1991, however,
- 16 Fort Ord was announced for closure by the United States Base

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Realignment and Closure Commission. Due to its prominence in
 the Monterey Bay area, the scheduled closure had a significant
 impact on the Monterey Bay area.

- (d) Prior to its closure on September 30, 1994, the Legislature established the Fort Ord Reuse Authority (FORA) to facilitate Ford Ord's conversion from military to civilian use. As a part of the Monterey Bay area's efforts to honor the lasting impact of Fort Ord and the legacy of the men and women who served there, FORA set aside 204 acres for the development of a Central Coast Veterans' Cemetery at Fort Ord.
- (e) Since 1994, local and statewide veterans, community groups, local agencies, and elected officials attempted to get the United States Department of Veterans Affairs to develop a Central Coast Veterans' Cemetery at Fort Ord. Current federal regulations, however, preclude the development of a national veterans' cemetery within 75 miles of another national veterans' cemetery, and require that there be at least 170,000 veterans within that area. Since the former Fort Ord is within 75 miles of the San Joaquin Valley National Veterans Cemetery in Gustine, and the veterans' population of the Monterey Bay region is currently estimated to be approximately 120,000, a national veterans' cemetery at Fort Ord is not possible.
- (f) A viable alternative to a national cemetery for veterans in the Fort Ord area would be the establishment of a state veterans' cemetery. Under the federal Veterans Affair's State Cemetery Grants Program, the federal government will fund up to 100 percent of the cost of establishing, expanding, or improving state veterans' cemeteries, including the acquisition of initial operating equipment, if the state agrees to cover the administrative and oversight costs in perpetuity.
- (g) In 2000, the state began efforts to consider the creation of a state Central Coast Veterans' Cemetery at Fort Ord when, then, Governor Davis signed Senate Bill 1815, which required the Department of Veterans Affairs, in coordination with Monterey County, to develop a master plan for a state Central Coast Veterans' Cemetery at Fort Ord.
- 37 (h) Subsequent legislative efforts to use the master 38 development plan to apply to the State Cemetery Grants Program 39 have not been successful due to the ongoing administrative and

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oversight fiscal impact a state veterans' cemetery at Fort Ord would have on the state's General Fund.

- (i) Recognizing that a national veterans' cemetery at Fort Ord has proven to be difficult under current federal regulations, the possibility of creating a state-operated veterans' cemetery at Fort Ord is enhanced if it does not present an ongoing cost impact to the state.
- (j) In order to recognize the lasting impact and legacy of the former Fort Ord and the service men and women who served there, establishing a financing mechanism, independent of the state's General Fund, to fund the ongoing administrative and oversight costs of a state veterans' cemetery would greatly increase the ability for the Department of Veterans Affairs to apply to the federal Veterans Affair's State Cemetery Grants Program.
- SEC. 2. Section 1450 of the Military and Veterans Code is repealed.
- 1450. The Department of Veterans Affairs, in voluntary cooperation with the Monterey County Board of Supervisors, shall develop a master plan for a state-owned and state-operated Central Coast Veterans Cemetery, which shall be located on the grounds of the former Fort Ord in Monterey County.
- SEC. 3. Section 1450 is added to the Military and Veterans Code, to read:
- 1450. For purposes of this chapter, the following definitions apply:
- (a) "Administrative and oversight costs" means costs incurred by the department for the maintenance of the California Central Coast State Veterans' Cemetery at Fort Ord including, but not limited to, personnel costs, the opening and closing of graves, the interment of remains, committal service coordination, groundskeeping, landscaping, general maintenance, and janitorial services.
 - (b) "Department" means the Department of Veterans Affairs.
- 35 (c) "Endowment Fund" means the California Central Coast 36 State Veterans' Cemetery at Fort Ord Endowment Fund.
- 37 (d) "Operations Fund" means the California Central Coast38 State Veterans' Cemetery at Ford Ord Operations Fund.
- 39 (e) "Veterans cemetery" means the California Central Coast 40 State Veterans' Cemetery at Fort Ord.

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1 SEC. 4. Section 1451 of the Military and Veterans Code is 2 repealed.

3 1451. All moneys received for the master plan shall be deposited in the Central Coast Veterans Cemetery Master 4 Development Fund, which is hereby created in the State 5 Treasury. Money appropriated from the fund to the Department of Veterans Affairs shall be used by the department for planning 8 purposes, to determine the project costs, regional impact, need, and ongoing state liability, and to develop a master plan for a state-supported Central Coast Veterans Cemetery on the grounds 10 of former Fort Ord in Monterey County. 11

- SEC. 5. Section 1451 is added to the Military and Veterans 12 13 Code, to read:
 - 1451. (a) The California Central Coast State Veterans' Cemetery at Fort Ord Endowment Fund is hereby created in the State Treasury. Moneys in the Endowment Fund shall be allocated, upon appropriation by the Legislature, to the department for the annual administrative and oversight costs of the veterans' cemetery, pursuant to Sections 1453 and 1454, and to generate funding through interest for that cemetery.
 - (b) The Endowment Fund may consist of donations from public and private entities, fees, and transfers from the state General Fund as may be specified by law.
 - (c) To the extent possible, donations made in-kind to the Endowment Fund shall be monetarily monetized so as to offset the ongoing administrative and oversight costs under Sections 1452 and 1453.
- 28 (d) Moneys deposited in the Endowment Fund are exempt 29 from the requirements of Sections 11270 through 111277 of the 30 Government Code.
- (e) Moneys in the Endowment Fund may be invested pursuant 31 32 to Section 16430 of the Government Code.
- 33 SEC. 6. Section 1452 is added to the Military and Veterans 34 Code, to read:
- 35 1452. (a) On or before July 1, 2007, and annually thereafter, the Controller, after consultation with the department, shall 36 report to the Assembly and Senate Committees on Veterans 38 Affairs, Monterey County, the City of Seaside, and the Fort Ord Reuse Authority on the status of the Endowment Fund, the 39 40 amount of interest and investment earnings generated by the

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Endowment Fund, and the estimated amount of additional principal needed to generate annual interest revenue that will sufficiently cover the estimated annual administrative and oversight costs.

- (b) The estimated annual administrative and oversight costs shall be developed annually by the department and provided to the Controller for purposes of the report required by subdivision (a) by no later than June 15 of each year.
- SEC. 7. Section 1453 is added to the Military and Veterans Code, to read:
- 1453. (a) (1) Upon the determination of the Controller, after consultation with the Secretary of Veterans Affairs, that the Endowment Fund has adequate principal to annually yield sufficient investment earnings, from the date of the determination, to cover the annual administrative and oversight costs over the next 10 years, the department shall develop and submit a State Veterans' Cemetery Grant Program application to the United States Department of Veterans Affairs for the establishment of a veterans' cemetery.
- (2) The Controller, upon appropriation by the Legislature, shall transfer moneys from the Endowment Fund to the Operations Fund in an amount equal to the estimated costs of developing and submitting the State Veterans' Cemetery Grant Program application to the United States Department of Veterans Affairs.
- (b) The Secretary of Veterans Affairs shall submit the State Veterans' Grant Program application to the United States Department of Veterans Affairs within six months of the Controller's determination pursuant to subdivision (a).
- (c) If awarded, the moneys received from the State Veterans' Cemetery Grant Program shall be used to fund 100 percent of the design, development, construction, and equipping of the veterans cemetery.
- 34 SEC. 8. Section 1454 is added to the Military and Veterans 35 Code, to read:
- 36 1454. (a) The Central Coast Veterans' Cemetery Master 37 Development Fund is hereby renamed the California Central 38 Coast State Veterans' Cemetery at Ford Ord Operations Fund. 39 Moneys in the Operations Fund may be transferred, upon
- 39 Moneys in the Operations Fund may be transferred, upon 40 appropriation by the Legislature, from the Endowment Fund to

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the Operations Fund for expenditure by the department, solely
for the annual administrative and oversight costs of the veterans'
cemetery.

- (b) (1) The Controller shall reserve an amount, not to exceed 10 percent of the amount allocated pursuant to subdivision (a), in the Operations Fund, which shall be used solely as a reserve for unforeseen administrative and oversight costs.
- (2) For purposes of this subdivision, "unforeseen administrative and oversight costs" means any costs that could not have been reasonably anticipated by the department when preparing its estimate of annual administrative and oversight costs and that are needed to carry out the purposes of this chapter.
- SEC. 9. Section 1455 is added to the Military and Veterans Code, to read:
- 1455. (a) Subsequent to the department's submission of the State Veterans' Cemetery Grant Program application, pursuant to Section 1453, the department shall adopt regulations to specify the eligibility requirements for interment and the appropriate fees to be charged for interment or burial of spouses and children of honorably discharged veterans in the veterans cemetery.
- (b) Those eligible for interment are all honorably discharged veterans and their spouses and children.
- (c) All fees received pursuant to subdivision (a) shall be deposited in the Endowment Fund created pursuant to Section 1451.
- SEC. 10. Section 1456 is added to the Military and Veterans Code, to read:
- 1456. (a) Proposals for the construction, placement, or donation of monuments and memorials, excluding headstones, to the veterans cemetery shall be subject to review by an advisory committee comprised of the veterans cemetery administrator, representatives from Monterey County, representatives from the City of Seaside, local veterans' service organizations, and others, as approved by the director.
- 37 (b) All proposals for the construction, placement, or donation 38 of monuments and memorials to the veterans' cemetery shall be 39 subject to the approval of the director.

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(c) The department shall adopt regulations for the policies and procedures to be followed with respect to the design, placement, and approval of monuments and memorials proposed to be placed on veterans' cemetery grounds.

- SEC. 11. Section 1457 is added to the Military and Veterans Code, to read:
- 1457. (a) Notwithstanding Section 11005 of the Government Code, the veterans' cemetery administrator may, subject to the approval of the director, accept donations of personal property, including cash or other gifts, to be used for the maintenance or beautification of the veterans' cemetery.
- (b) Donations in the form of cash shall be deposited in the Endowment Fund and shall be expended for the maintenance and repair of the veterans' cemetery or for a specified veterans' cemetery maintenance or beautification project designated by the donor, upon appropriation by the Legislature.
- SECTION 1. Section 67655 of the Government Code is amended to read:
- 67655. Unless the context otherwise requires, the definitions contained in this chapter govern the construction of this title.
 - (a) "Authority" means the Fort Ord Reuse Authority.
- (b) "Base-wide facility" means a public capital facility which, in the judgment of the board, is important to the overall reuse of Fort Ord, and has significance beyond any single city or the unincorporated area of the county.
- (c) "Board" means the governing board of the authority, as specified in Section 67660.
- (d) "Fort Ord Reuse Plan" means the plan for the future use of Fort Ord adopted pursuant to Section 67675.
- (e) "Legislative body" means the city council of a city or the board of supervisors of a county, or the legislative body or governing board of any other public agency.
- (f) "Local facility" means a public capital facility which, in the judgment of the board, is important primarily within a single city or the unincorporated area of the county.
- (g) "Member agency" means the County of Monterey and the City of Carmel, the City of Del Rey Oaks, the City of Marina, the City of Sand City, the City of Monterey, the City of Pacific
- 39 Grove, the City of Salinas, or the City of Seaside.

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(h) "Fort Ord," including references to the territory or area of Fort Ord, means the geographical area described in the document entitled "Description of the Fort Ord Military Reservation Including Portion of the Monterey City Lands Tract No. 1, the Saucito, Laguna Seca, El Chamisal, El Toro and Noche Buena Ranchos, the James Bardin Partition of 1880 and Townships 14 South, Ranges 1 and 2 East and Townships 15 South, Ranges 2 and 3 East, M.D.B. and M. Monterey County, California," prepared by Bestor Engineers, Inc., and delivered to the Sacramento District Corps of Engineers on April 11, 1994.

- (i) "Public capital facilities" means all public capital facilities described in the Fort Ord Reuse Plan, including, but not limited to, roads, freeways, ramps, air transportation facilities and freight hauling and handling facilities, sewage and water conveyance and treatment facilities, schools, libraries, and other educational facilities, and recreational facilities, that could most efficiently and conveniently be planned, negotiated, financed, or constructed by the authority to further the integrated future use of Fort Ord.
- (j) "Redevelopment authority," for purposes of the transfer of property at military bases pursuant to Title XXIX of the National Defense Authorization Act for the 1994 fiscal year, means the Fort Ord Reuse Authority, except that, with respect to property within the territory of Fort Ord that is transferred or to be transferred to the California State University or to the University of California, "redevelopment authority" solely for purposes of the transfer of property at military bases pursuant to Title XXIX of the National Defense Authorization Act for the 1994 fiscal year means the California State University or the University of California, and does not mean the Fort Ord Reuse Authority.
- SEC. 2. Section 67675.3 of the Government Code is amended to read:
- 67675.3. (a) The board shall, within 90 days after the submittal, after a noticed public hearing, either certify or refuse to certify, in whole or in part, the portion of the general plan or amended general plan applicable to the territory of Fort Ord.
- (b) Where a general plan or amended general plan is refused certification, in whole or in part, the board shall provide a written explanation and may suggest modifications, which, if adopted and transmitted to the board by the county or a city, will allow the amended general plan to be deemed certified upon

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confirmation of the executive officer of the board. The county or a city may elect to meet the board's refusal of certification in a manner other than as suggested by the board and may then resubmit its revised general plan to the board. If the county or a city requests that the board not recommend or suggest modifications which if made will result in certification, the board shall refuse certification with the required findings.

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(c) The board shall approve and certify the portions of a general plan or amended general plan applicable to the territory of Fort Ord, or any amendments thereto, if the board finds that the portions of the general plan or amended general plan applicable to the territory of Fort Ord meet the requirements of this title, and are consistent with the Fort Ord Reuse Plan.

SEC. 3. Section 67679 of the Government Code is amended to read:

67679. (a) (1) The board shall identify those basewide public capital facilities described in the Fort Ord Reuse Plan, including, but not limited to, roads, freeway ramps, air transportation facilities, and freight hauling and handling facilities; sewage and water conveyance and treatment facilities; schools, libraries, and other educational facilities; and recreational facilities, that serve residents or will serve future residents of the base territory and could most efficiently or conveniently be planned, negotiated, financed, constructed, or repaired, remodeled, or replaced by the board to further the integrated future use of the base. The board shall undertake to plan for and arrange the provision of those facilities, including arranging for their financing and construction or repair, remodeling, or replacement. The board may plan, design, construct, repair, remodel, or replace and finance these public capital facilities, or delegate any of those powers to one or more member agencies. Notwithstanding any other provision of law, no permit or permission of any kind from any city or county shall be required for any project undertaken by the board pursuant to this section.

(2) The board shall identify significant local public capital facilities, as distinguished from the basewide public capital facilities identified in the paragraph (1) which are described in the Fort Ord Reuse Plan. Local public capital facilities shall be the responsibility of the city or county with land use jurisdiction

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or the redevelopment agency if the facilities are located within an established project area and the board of the redevelopment agency determines that it will assume responsibility.

- (3) The board may construct or otherwise act to improve a local public capital facility only with the consent of the city or county with land use authority over the area where the facility is or will be located. A city or county or a local redevelopment agency may construct or otherwise act to improve a basewide public capital facility only with the consent of the board.
- (b) If all or any portion of the Fritzsche Army Air Field is transferred to the City of Marina, the board shall not consider those portions of the air field that continue to be used as an airport to be basewide capital facilities, except with the consent of the legislative body of the city. If all or any portion of the two Army golf courses within the territory of Seaside are transferred to the City of Seaside, the board shall not consider those portions of the golf courses that continue in use as golf courses to be basewide capital facilities, except with the consent of the legislative body of the city.
- (c) The board may seek state and federal grants and loans or other assistance to help fund public facilities.
- (d) The board may, in any year, levy assessments, reassessments, or special taxes and issue bonds to finance these basewide public facilities in accordance with, and pursuant to, any of the following:
- (1) The Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code).
- (2) The Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).
- (3) The Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code).
- (4) The Benefit Assessment Act of 1982 (Chapter 6.4 (commencing with Section 54703)).
- (5) The Landscape and Lighting Act of 1972 (Part 2 (commencing with Section 22500) of Division 15 of the Streets and Highways Code).
- 39 (6) The Integrated Financing District Act (Chapter 1.5 40 (commencing with Section 53175) of Division 2 of Title 5).

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(7) The Mello-Roos Community Facilities Act of 1982 (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).

- (8) The Infrastructure Financing District Act (Chapter 2.8 (commencing with Section 53395) of Division 2 of Title 5).
- (9) The Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1).
- (10) The Revenue Bond Act of 1941 (Chapter 6 (commencing with Section 54300) of Division 2 of Title 5).
- (11) Fire suppression assessments levied pursuant to Article 3.6 (commencing with Section 50078) of Chapter 1 of Part 1 of Division 1 of Title 5.
- (12) The Habitat Maintenance Funding Act (Chapter 11 (commencing with Section 2900) of Division 3 of the Fish and Game Code).

Notwithstanding any other provision of law, the board may ereate any of these financing districts within the area of Fort Ord to finance basewide public facilities without the consent of any city or county. In addition, until January 1, 2000, the board may, but is not obligated to create, within the area of Fort Ord, any of these financing districts which authorize financing for public services and may levy authorized assessments or special taxes in order to pass through funding for these services to the local agencies. Notwithstanding any other provision of law, no city or county with jurisdiction over any area of the base, whether now or in the future, shall create any land-based financing district or levy any assessment or tax secured by a lien on real property within the area of the base without the consent of the board, except that the city or county may create these financing districts for the purposes and subject to any financing limitations that may be specified in the capital improvement program prepared pursuant to Section 67675.

(e) The board may levy development fees on development projects within the area of the base. Any development fees shall comply with the requirements of Chapter 5 (commencing with Section 66000) of Division 1 of Title 5. No local agency shall issue any building permit for any development within the area of Fort Ord until the board has certified that all development fees

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1 that it has levied with respect to the development project have

- 2 been paid or otherwise satisfied.
- 3 (f) The board may receive funds from the California
- 4 Infrastructure and Economic Development Bank pursuant to
- 5 Division 1 (commencing with Section 63000) of Title 6.7.